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FOREIGN SERVICE DESPATCH

FROM : Amembassy TAIPEI

TO : THE DEPARTMENT OF STATE, WASHINGTON

REF :

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| 67<br>For Dept.<br>Use Only | ACTION<br>12-<br>REC'D<br>2/24 | DEPT.<br>IN<br>F<br>O<br>F<br>O<br>THER | 406<br>DESP. NO. | 743.00/2<br>793.11 | February 11, 1959<br>DATE | COPY NO. 1<br>SERIES A |
| CIA-USA-ARMY-NAVY-AIR-OSD-  |                                |                                         |                  |                    |                           |                        |

SUBJECT:

Views of CHIANG Ching-kuo as Recently Expressed to ICA  
Official.

REVIEWED BY P. Alford DATE 4/9/82

On the weekend of January 17-18, 1959, Mr. Albert B. Fraleigh, Chief of the Retired Servicemen Program Division of ICA, Taiwan, went on an inspection trip with CHIANG Ching-kuo, the President's son and - among other things - the Chairman of the Vocational Assistance Commission for Retired Servicemen (VACRS). Mr. Fraleigh and General Chiang are old friends who have worked together closely as heads of the Chinese and American units responsible for the retired servicemen program.

Among the more significant observations made by Mr. Fraleigh were those involving General Chiang's relations with Vice President-Premier CH'EN Ch'eng. During the trip, a number of comments made in Chinese gave Fraleigh the impression that Ching-kuo is not au courant with the activities of the Vice President. Fraleigh overheard Ching-kuo ask in several places whether the Vice President had ever visited the cross-island highway. Fraleigh added that Chiang Ching-kuo had expressed dissatisfaction with the amount of cooperation he was getting from JCRR and CUSA. Fraleigh considered this an indirect criticism of Ch'en Ch'eng, who more or less controls these two organs.

General Chiang said his father was unhappy because the United States Government did not give the retired servicemen program enough consideration. The President was reported by his son as considering the retired servicemen program as the most important in China, after the military assistance program.

Although the General has publicly stated the opinion that there are no outstanding differences between the Taiwanese and the mainlanders, he indicated to Fraleigh that he realized there was a lot of misunderstanding between the two groups. He agreed with the observation that the Taiwanese seemed to have little interest in international affairs.

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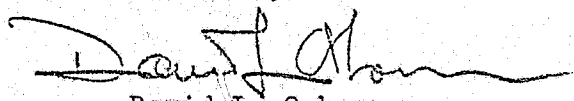
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In his comments to Fraleigh, Chiang Ching-kuo stated that the fundamental problem for the Government of the Republic of China involves its ability to administer the government properly after the return to the mainland. This helps to explain one of the emphases Ching-kuo gives to the retired servicemen program, i.e., the need for them to prepare themselves for the administrative responsibilities they will be expected to assume when they "return".

General Chiang commented in some detail on Mikoyan's visit to the United States. He thought the trip was extremely dangerous for the non-Communist world because the man was a "magician" and a "salesman". The General said he thought Americans don't really understand Communists. The Communists don't think like non-Communists and they can't be dealt with on the assumption they are normal and reasonable human beings.

Attached as an enclosure is a memorandum of Mr. Fraleigh's observations on the trip with General Chiang.

For the Ambassador:

  
David L. Osborn  
Counselor of Embassy for  
Political Affairs

Enclosure:

Memorandum of Conversation  
of January 20, 1959.

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January 20, 1959

MEMORANDUM OF CONVERSATION

Participants: Albert S. Fraleigh, Chief, Retired Servicemen  
Program Division, ICA  
A. L. Peaslee, First Secretary, American Embassy

Mr. Albert S. "Bert" Fraleigh, who has worked with ICA in Taiwan since 1952, and previously on the China mainland for a number of years after World War II, described in detail a conversation he had with CHIANG Ching-kuo, the President's son and--among other things--chairman of VACRS (Vocational Assistance Commission for Retired Servicemen). Mr. Fraleigh, who speaks Chinese well, spent the weekend of January 17-18 driving from Taipei up onto various parts of the cross-island highway for an inspection trip with General Chiang. They are old friends and have worked together closely as heads, respectively, of the Chinese and American units responsible for the retired servicemen program. The comments below, unless otherwise noted are those of Mr. Fraleigh.

HIS ENGLISH

Chiang Ching-kuo's English has "improved a lot" since last April. He now is spending two to three hours a day reading American and other newspapers and periodicals in English. He said he is "enjoying it and, besides, I have to do it". (Note--Fraleigh interpreted this comment to mean he scans a lot of articles in order to keep his father informed, particularly since Madame Chiang is not in Taiwan now.) He seems well read and up to date on international political matters. When Fraleigh said that if the General spent three months in the United States his English would be fine, the reply was, "No, it would take one year."

THE COMMUNES

Ching-kuo said the communes are the biggest mistake the Chinese Communists have committed. "You can only tamper so much with people's lives."

LAOS

He thinks the real danger area in Indo-China at the moment is Laos. He said the opening of the GRC Consulate was good, but the situation in Laos is a very tenuous proposition.

MALAYA

He seemed well-informed on Malaya and was well-disposed toward Tengku Rahman.

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PHILIPPINES

Philippine President Garcia, according to Ching-kuo, was not a very good official. Fraleigh thought that Ching-kuo seemed well aware of the inefficiencies and corruption of the Garcia regime.

"WEDEMAYER REPORTS"

Ching-kuo had just finished reading General Wedemeyer's book. This caused him to comment that China needed more foreign friends who knew and sympathized with the country in which they were stationed. He didn't agree with the United States policy of transferring officials who are known and trusted as friends sincerely interested in China's problems.

HIS FATHER'S EMPHASIS ON RETSER

Chiang Ching-kuo said that on December 27 or 28, his father had talked to one hundred representative retired servicemen for an hour and a half. The President told the servicemen that the retired servicemen program is the second most important program in China--the first is military assistance. Ching-kuo added, actually the retired servicemen program is part of the military program. Ching-kuo said he was unhappy because the United States Government didn't give the program enough consideration.

THE NEED FOR COMPETENT PEOPLE

The retired servicemen program has been successful because most of the ex-servicemen have been good people. Ching-kuo remarked that "the trouble in this country is there are just too many people who are old-fashioned and don't want to improve". The biggest problem in Taiwan is to find competent people to lead and manage projects. When Fraleigh pointed out that spirit makes a lot of difference (using the example of [redacted] and the National Defense Medical School, which is a shining example of what can be done); the General was quick to agree. 301(6)

The General regretted that he and Fraleigh hadn't gotten into the retired servicemen's program sooner (Fraleigh is soon to leave for a new assignment in Laos), because they "could have saved a lot of money for the program".

COMMENT: When Y. S. TSIANG, Secretary-General of JCRR, remarked recently that VACRS is "too aggressive", S.Y. WANG (whom Fraleigh considers the most able man in VACRS) replied, "no, the trouble is the rest of the Government is too slow and isn't carrying out its responsibilities."

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### CHING-KUO'S TALK TO RETSERS

At one point in their trip at Suao, Ching-kuo spoke for a half an hour to a group of 800 retired hospitalized servicemen. He said they might still be sick but things were better for them than they were a year ago. Their future was good. They should never forget that their duty was to return to the mainland. They should be preparing themselves mentally and physically for the return. He referred to the approach of Chinese New Year, and said that though they didn't have relatives in Taiwan, their relatives on the mainland would be thinking of them. "When you go back, you will be going to practically all the hsien of China. When you go back, you will be welcomed as heroes. You are the people the government will need. You will be the leaders--police officers and chiefs, and possibly some of you will become hsien magistrates. The Government knows you are honest and you will be needed for the reconstruction of the mainland." He exhorted them to build up their health and improve themselves mentally for this task. (Fraleigh noted that the retired servicemen's project is now providing classes in administrative matters.)

### YOUTH WANT TO BUILD CHINA

Fraleigh remarked to Chiang Ching-kuo that he had found many young people who wanted to work with the General to build up the country. "If you ask them," said Fraleigh, "they'll really work with you." The General seemed happy to hear this.

### RECLAMATION AND REFORESTATION

Fraleigh explained to Ching-kuo the details of some reclamation and reforestation projects involving retired servicemen. The projects discussed necessitated, in the view of the Taiwan Forestry Administration (TFA), forty years to complete. Fraleigh told Ching-kuo the retired servicemen can do it in five to ten years. This caused Ching-kuo to say, "we must build up Taiwan as quickly as possible and we must look toward the future. Too many people don't look toward the future; they live only in the present."

Fraleigh told Ching-kuo he thought he ought to get together with the Taiwanese more, so they'd know what he is like and know his aspirations. Fraleigh said that many Taiwanese did feel loyal toward China if they had the chance to show it, but there was room for a lot more understanding between mainlanders and Taiwanese. Ching-kuo indicated he knew that there was a lot of misunderstanding between the two groups. (COMMENT-Publicly, Chiang Ching-kuo has consistently claimed that there are no important differences between the two groups.) Fraleigh thought the General ought to go out of his way to talk to thoughtful, well-intentioned Taiwanese and suggested Taipei's ex-mayor Kao Yu-shu (having earlier sounded out Kao to see if this was all right-Kao had said it was all right) as a person with whom he should discuss Taiwan's problems.

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#### TAIWANESE EDUCATION AND KNOWLEDGE OF INTERNATIONAL AFFAIRS

Fraleigh mentioned that the Taiwanese didn't appear to be reading much on international affairs and what's more--didn't seem interested in them. Ching-kuo agreed with this comment and went on to say that the schools and colleges here are not good. In spite of the hours, which are too long, the education that students receive is not a broad one.

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#### MIKOYAN'S TRIP

Ching-kuo asked Fraleigh why Mikoyan was invited to the United States. Fraleigh replied it was his understanding that Mikoyan was not invited; he came at his own behest and not as a guest of the United States Government. Ching-kuo seemed to agree with this, but he went on to say he thought Mikoyan's trip was extremely dangerous because the man was a "magician" and a "salesman". He referred to Mikoyan's Armenian background and said that he came by his salesmanship naturally. Americans should realize that it takes a man without principles to survive in the Russian political climate. The General said he thought Americans don't really understand Communists. The Communists don't think like non-communists and they can't be dealt with in the same way. They can't be dealt with on the assumption they are normal and reasonable human beings. (COMMENT--These remarks are particularly interesting in view of Chiang Ching-kuo's Russian background and the occasional conjecture that he may have some communist leanings.)

#### OUT OF TOUCH WITH CH'EN CH'ENG

During the trip, a number of comments made in Chinese gave Fraleigh the impression that Ching-kuo is not au courant with the activities of Vice President-Premier CH'EN Ch'eng. Fraleigh overheard Ching-kuo ask in several places whether the Vice President had ever visited the cross-island highway. Fraleigh added that Chiang Ching-kuo had expressed dissatisfaction with the amount of cooperation he was getting from JCRR and CUSA. Fraleigh considered this an indirect criticism of Ch'en Ch'eng, who more or less controls these two organs.

#### CHING-KUO'S HEALTH NOT "TOO GOOD"

Chiang Ching-kuo's health does not seem to be "too good". He has had intense pains in his right eye. (Several times during the trip he put his hands over his eye and was quiet for a few minutes, afterwards excusing himself with the comment that he had been having eye pains. Fraleigh wasn't sure what the trouble was--sinus

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or what.) Fraleigh believes he has a touch of diabetes. He eats saccharine and never sugar. Like many diabetics he has a great deal of energy. In Fraleigh's opinion he has probably seen more of Taiwan than any other mainlander. Ching-kuo remarked that he is getting older and can't work so hard (causing Fraleigh to reply that that was too bad, now he'd only be doing the work of three normal men).

Fraleigh observed that, unlike most Chinese when traveling, Ching-kuo is very observant and makes a mental note of everything.

Fraleigh remarked at this point, that never had he seen Ching-kuo do anything peremptory or dictatorial to anyone right down to the lowest echelons.

#### ATTITUDE TOWARD ABORIGINES

The General remarked that the attitude that aborigines are different and it is impossible to work with them is all wrong. He believes they should be given a good education and the same chance as others. He agreed with Fraleigh that the aborigines should have an education which would fit them for life in the mountains.

#### POSSIBLE STEP-DOWN FROM YOUTH CORPS

The comptroller of VACRS, S. Y. Wang, told Fraleigh that Ching-kuo is thinking of giving up his directorship of the Youth Corps.

#### THE OFFSHORES

The General was very confident that the offshore islands would be held. He thought that the Chinese Communist Air Force was controlled by communications from the ground and they "can't fight that way".

#### AMERICAN MOVIES

When Fraleigh mentioned American movies, the General thanked him for offering him an opportunity to say what he thought of them. He said they were the worst type of propaganda. He said he understands they are produced for the purpose of making money. But he thought their display in foreign countries was extremely short-sighted. They are seen by people who don't know much about the United States. Asians think that juvenile delinquency, dope-peddling, and many other forms of crime and vice are common and accepted as such by Americans. American movies "offset all the cultural efforts you make".

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